



# Evonik Capital Markets Day 2025

Maike Schuh, CFO  
Financial Perspective



# Our financial commitments 2027: Profitable growth and returns, while keeping cash generation high



**Profitable Growth**

**+€1 bn**

Adj. EBITDA<sup>1</sup>



**Value Creation**

**~11 %**

ROCE



**Cash Generation**

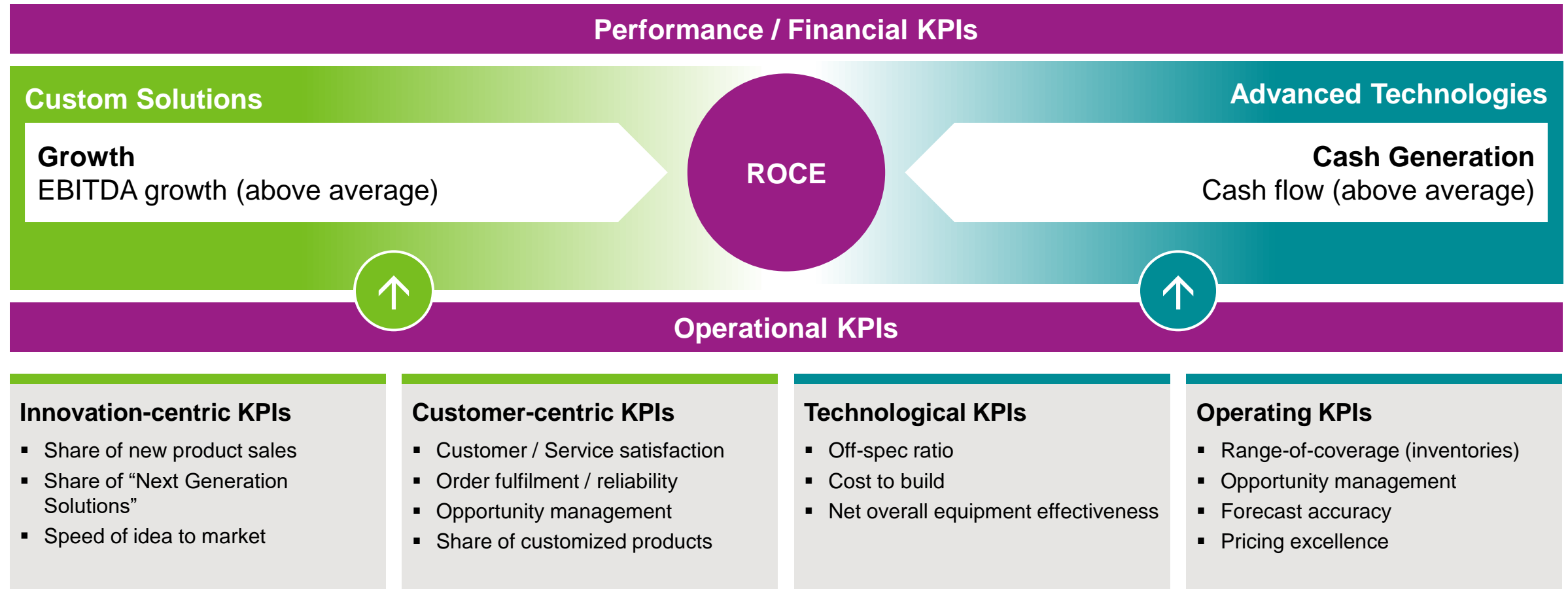
**>40 %**

Cash conversion rate

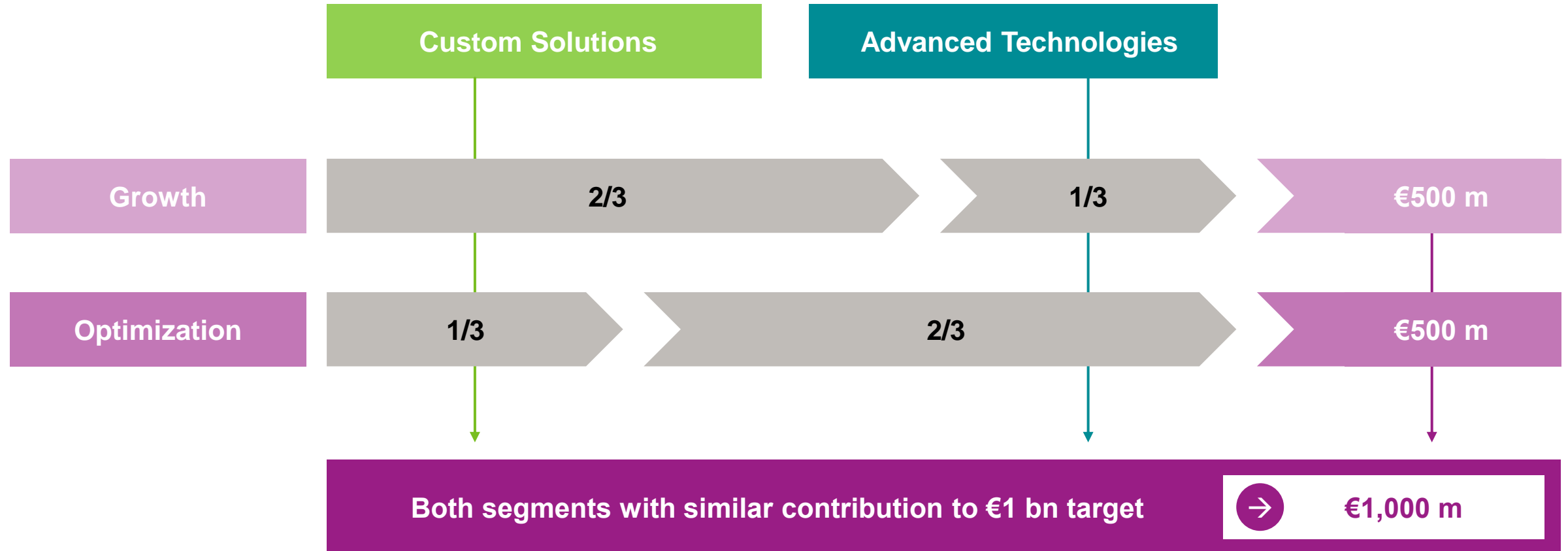
Healthy balance sheet: Solid investment grade rating

1. FY 2027 vs. FY 2023; based on 2024-2027 forecasts

# More differentiated steering in new segment structure

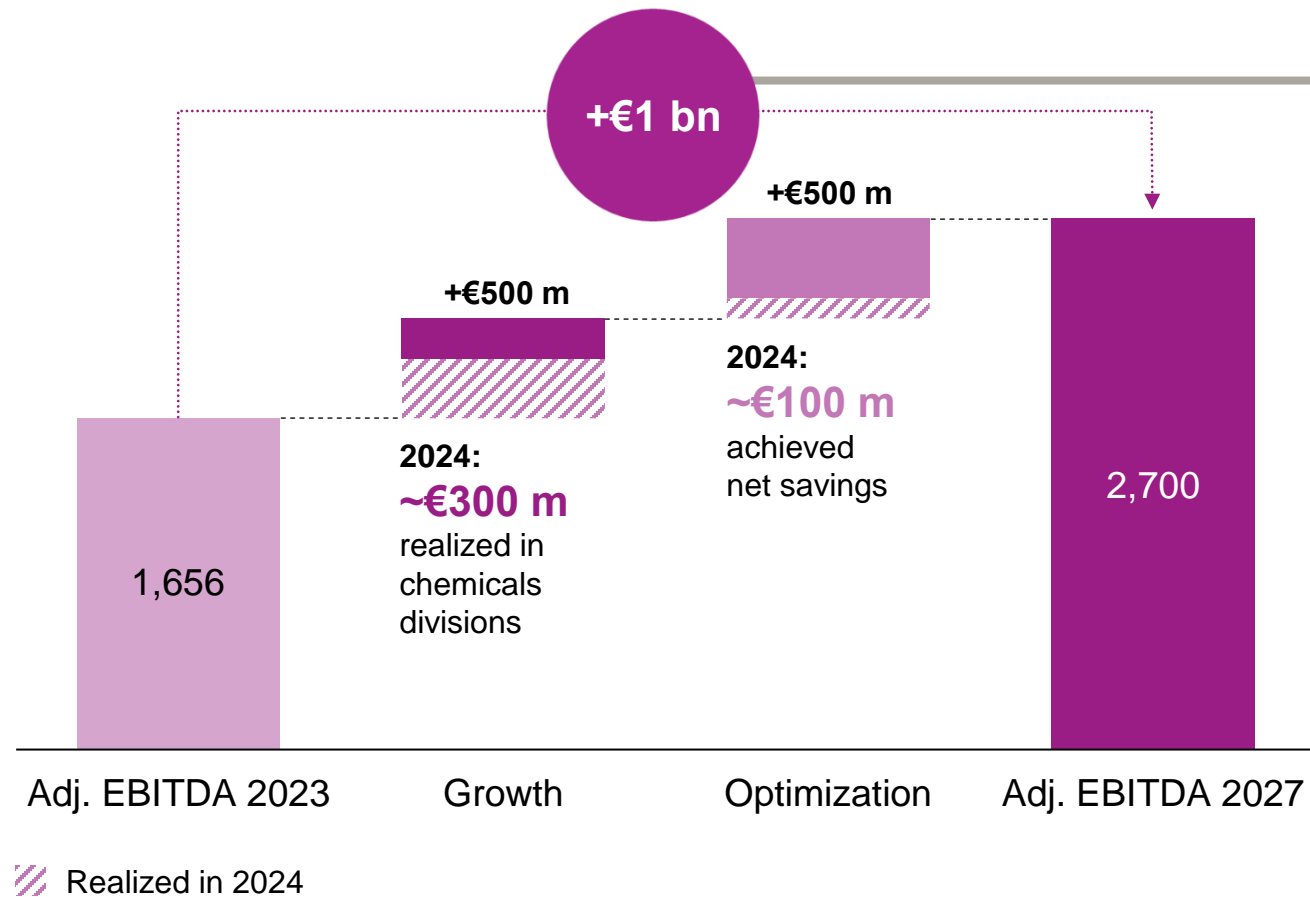


# Distribution of +€1 bn EBITDA growth by components & segments



- Simplified illustration, as cost savings programs will also results in higher earnings in “Infrastructure / Other” by 2027 -

# Commitment 2027: +€1 bn adj. EBITDA



## +€500 m: Growth

(including usual erosion in existing businesses)

To go (2025-2027): €200 m from

- Growing into new capacities
- New products from innovation pipeline
- Market growth



## +€500 m: Net savings from optimization

(including cost inflation)

To go (2025-2027): €400 m from

- Evonik Tailor Made
- Business optimization programs
- Procurement optimization



# Commitment 2027: +€500 m “Growth EBITDA”

## Growth investments



PA12 | Germany



Silica | United States



Alkoxides | Singapore



Alu Oxides | Japan

## Market growth

Additives for coatings  
Components for lithium batteries  
PU foam for insulation  
Active cosmetic ingredients

**3 – 4 %** relevant market  
growth p.a.

## Innovation



Biosurfactants | Slovakia

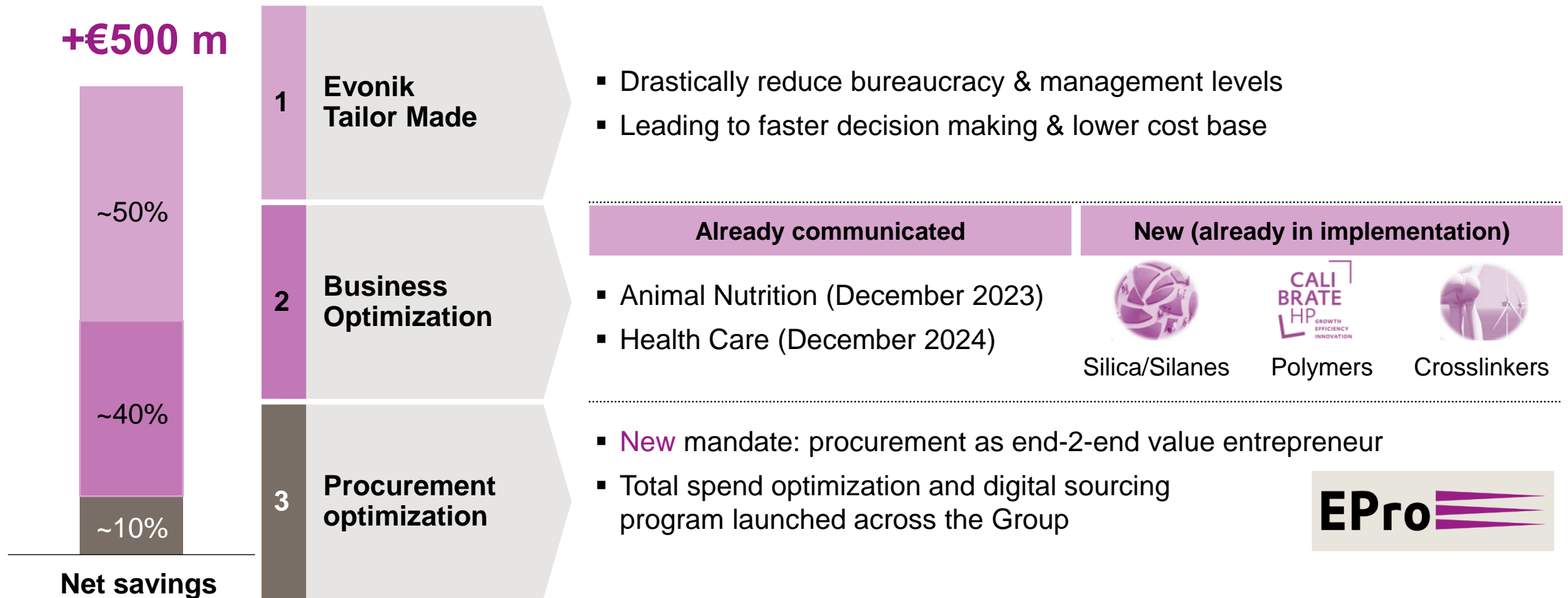


Membranes | Austria

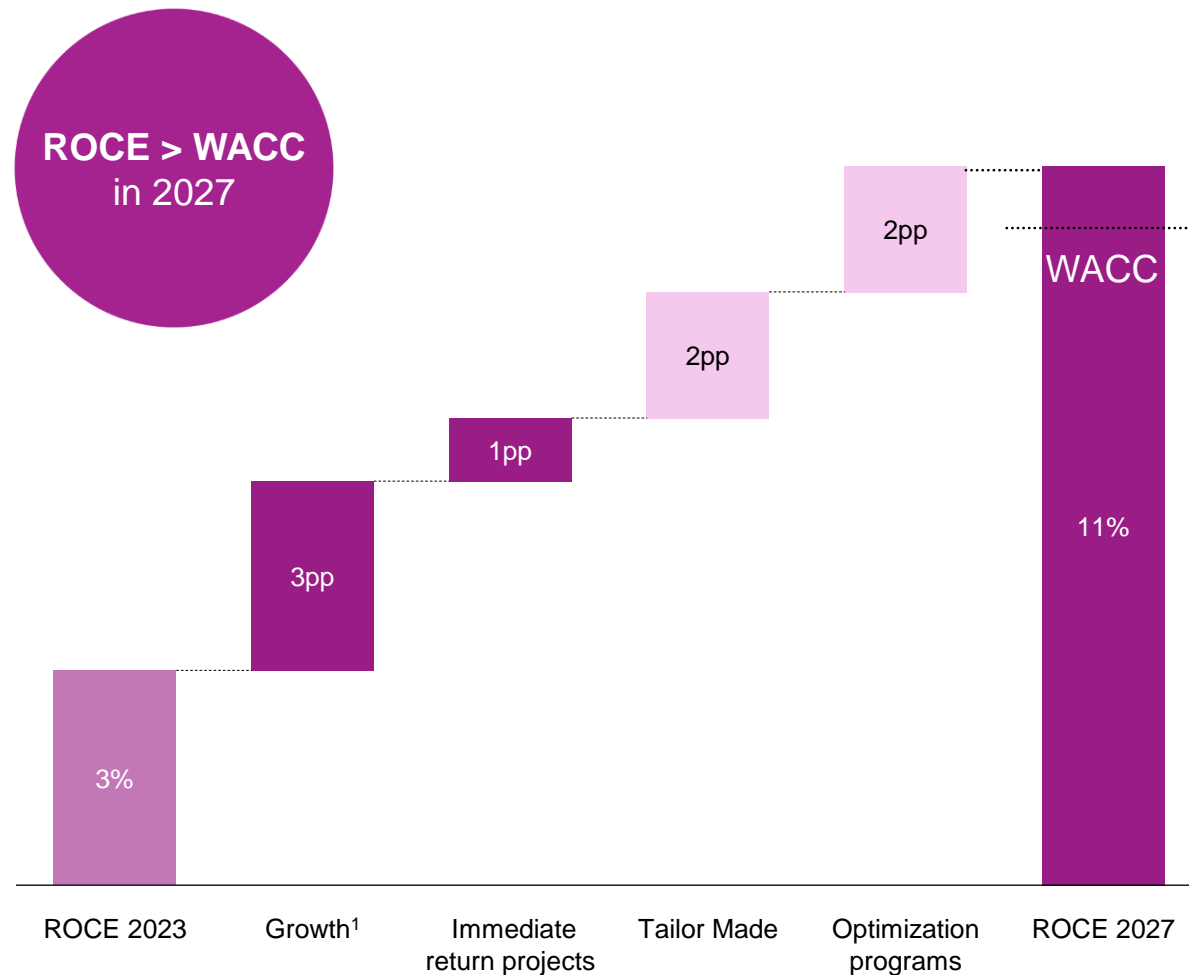
**+€500 m**

adj. EBITDA from growth until 2027

# Commitment 2027: +€500 m “Net savings”



# Commitment 2027: Improvement of ROCE to ~11 %



1. Increase based on growth investments, market growth & innovation net by erosion

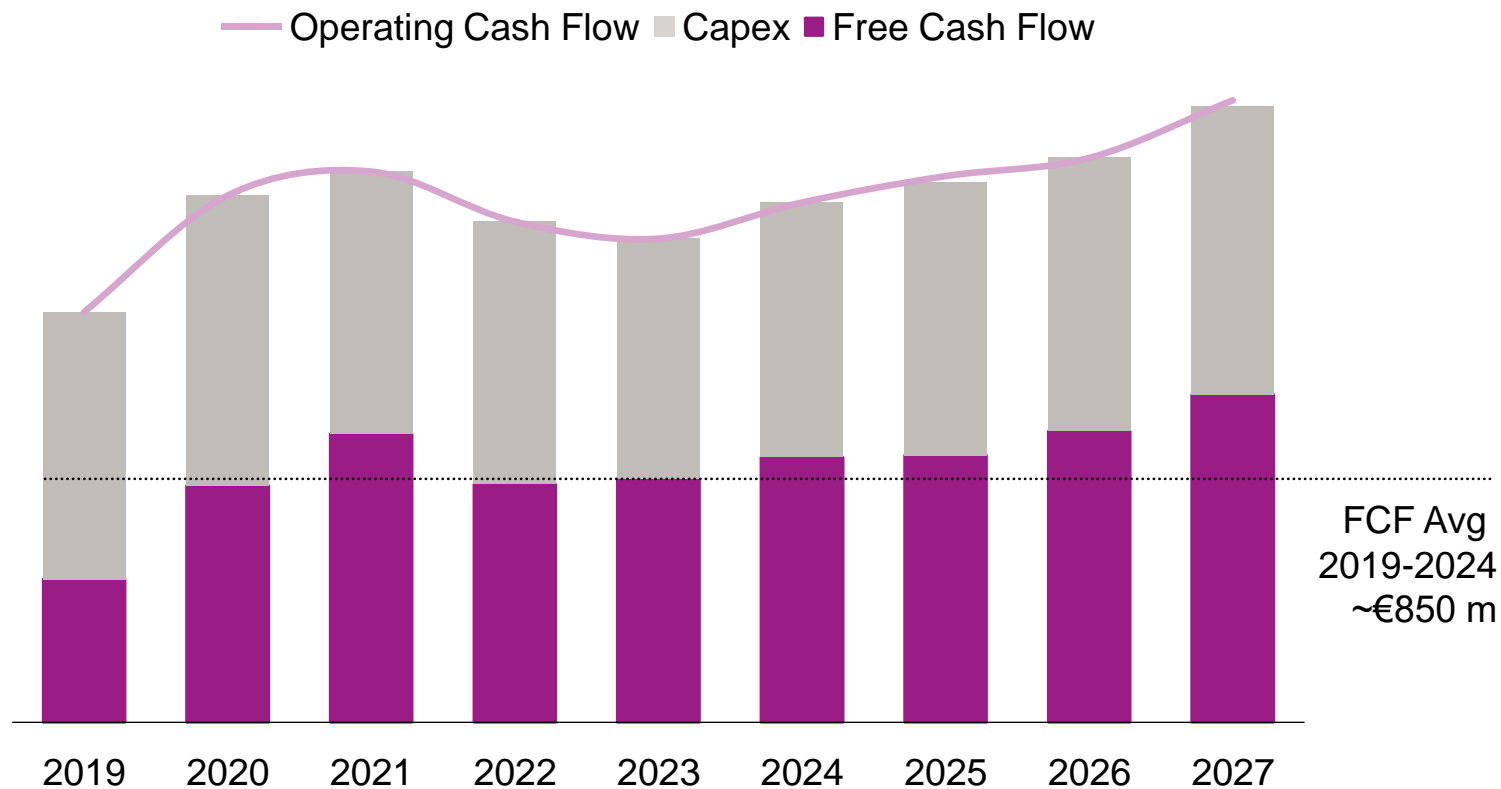
## Path towards ROCE Improvement until 2027

- +3pp** Grow into existing capacities  
Innovation with short-term ROCE increase
- +1pp** Prioritizing small CAPEX projects  
with quick payback time
- +4pp** Evonik Tailor Made  
and business optimization programs

Planned portfolio adjustments have no material negative effect on ROCE



# We are building on our free cash flow strength



## Cumulative values 2025 – 2027

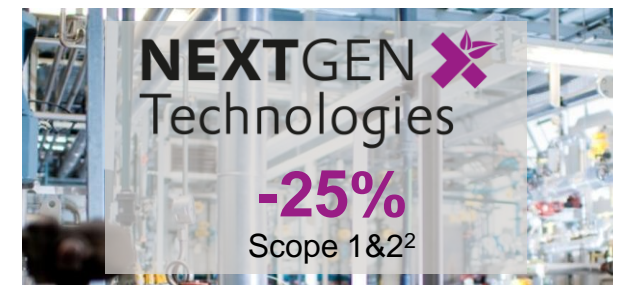
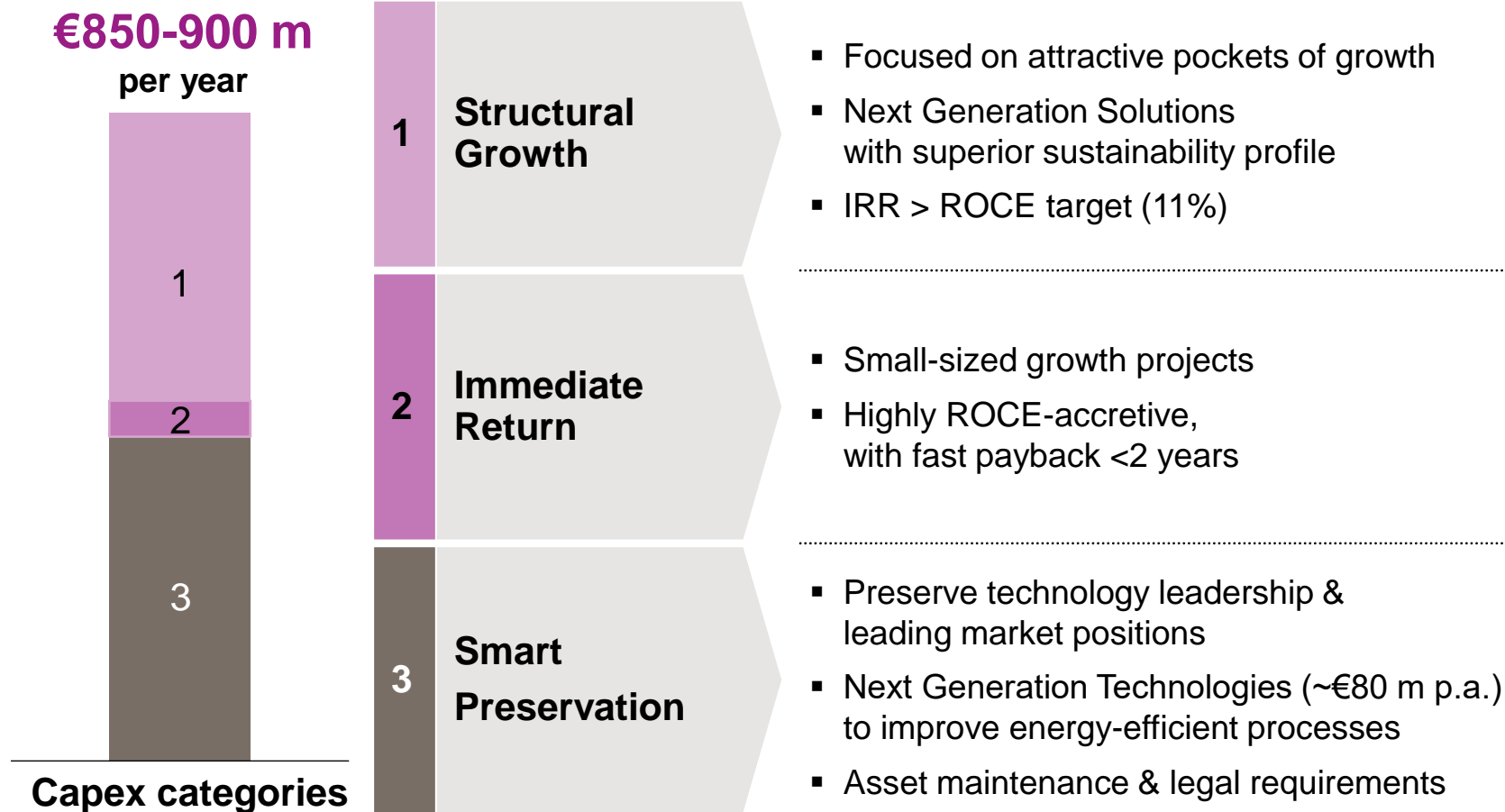
**~ €5.5 bn**  
Operating Cash Flow

**~ €2.7 bn**  
Capex<sup>1</sup>  
(at €850-900 m p.a.)

**~ €2.8 bn**  
Free Cash Flow

1. Cash outflow for investment in intangible assets, pp&e, without divestments

# Spotlight on CAPEX: Guiding principles for a balanced approach



1. 2030 target: >50% of total sales generated by Next Generation Solutions products | 2. 2030 target: 25% reduction of GHG gross emissions; reference year 2021, target year 2030, SBTi approved

# Spotlight on “immediate return” projects

**~10%**  
of total capex<sup>1</sup>

**>50%**  
IRR on average

**+1 pp**  
ROCE<sup>2</sup>

**<€2.5 m**  
capex per project

**~1-2 years**  
payback time

## Project types

Rationalization and small debottlenecking projects that **increase yield** or **throughput**

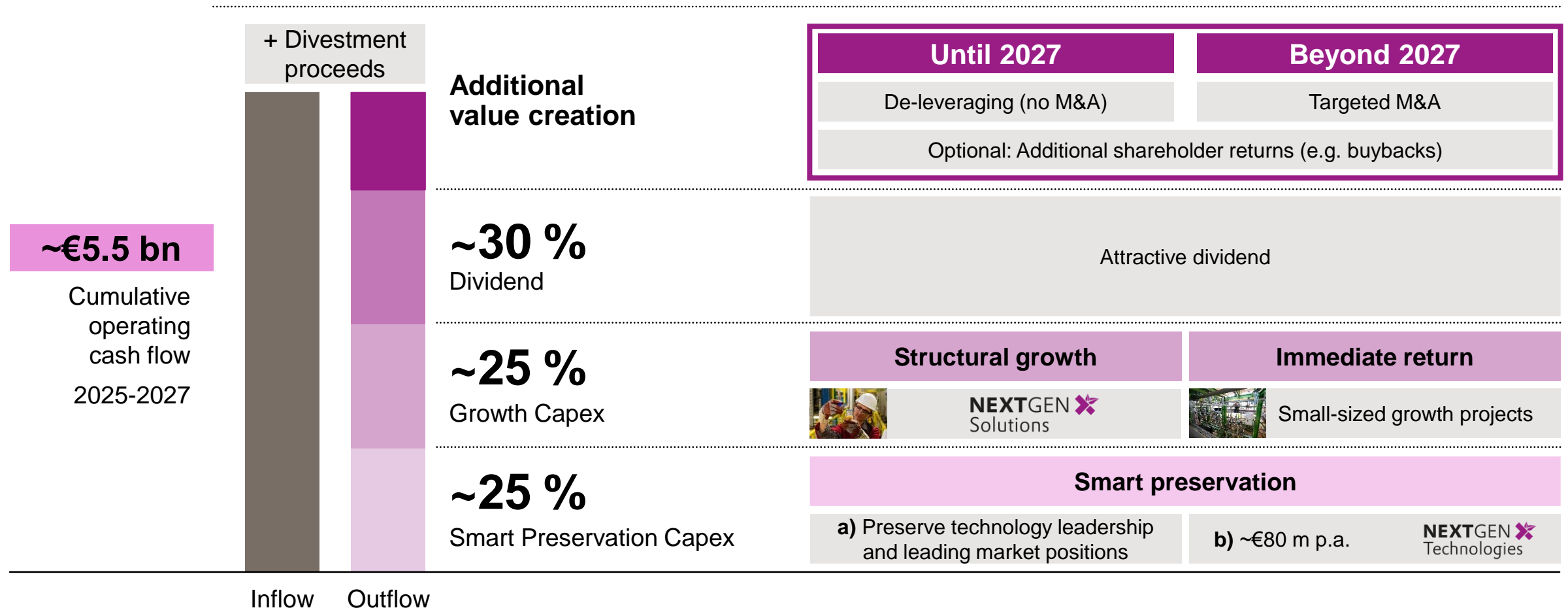


## Typical examples

- Expansion of columns
- Replacement/expansion of heat pumps and exchangers
- Refurbishment of filling lines/storage container

1. % out of €850 m – 900 m capex planned 2025-2027 | 2. Expected ROCE increase through implementation of immediate return projects until 2027

# Capital allocation priorities: balancing growth and shareholder return



# Main messages

---

1

## Commitment 2027

- Ambitious **financial targets** (adj. EBITDA, ROCE, Cash Conversion)
  - **ROCE becoming our top KPI** in everything we do
  - **Deliver +€1 bn EBITDA** with execution of growth initiatives & cost programs
- 

2

## Smart Capex

- **Clear priorities for capital-efficient earnings growth** to reach 2027 financial targets
- 

3

## Capital allocation

- **Deleveraging** first, no M&A until 2027
- Commitment as an **attractive dividend payer**
- Optionality for **further shareholder return**





**EVONIK**

**Leading Beyond Chemistry**

# Reorganization program “Evonik Tailor Made”: Started in October 2023; representing ~50% of Group net savings target

## Overarching idea of Evonik Tailor Made

**Business Lines  
as “nucleus” of Evonik**  
through shifting of responsibilities  
from corporate or division level

**Empowerment of individual employees  
and faster decision making**  
through reduction of hierarchy levels, increasing management span and  
cutting tasks without direct business relevance

**~50%**

of total group  
net savings<sup>1</sup>

First savings in 2024;  
full savings to be achieved by 2027

Personnel costs  
**~80%**

- Reduction of up to 2,000 employees by end of 2026
- Majority in administration & other support functions, remaining from business organizations
- Over-proportionally high number of management positions
- Max. 6 hierarchy levels below C-level (down from currently up to 10); management span<sup>2</sup> increasing from 1:4 to 1:7

Non-personnel costs  
**~20%**

- e.g.:
- Agency & consulting costs
  - Sport sponsoring

1. % out of €500 m net savings to be achieved in the period 2024-2027 | 2. Number of employees per leadership position

# Holistic business optimization programs initiated: Secure competitive position and deliver on Group net savings target

		Amino Acids	High Performance Polymers	Silica/Silanes	Coating & Adhesive Resins	Health Care	Crosslinkers (i-Chain)
Strategic lever	Restructuring	✓	✓	✓	✓	✓	✓
	Investment	✓	(✓)	✓			
Share of total Group net savings <sup>1</sup>		~20%	~15%		~5%		
Start date		Q2 2023	Q1 2024	Q4 2023	Q1 2024	Q1 2024	Q1 2024
Full potential		End of 2026	End of 2027		End of 2026	End of 2027	
Main Levers		<ul style="list-style-type: none"> <li>Operational cost reduction</li> <li>Closing gaps for optimum production setup by investments</li> </ul>	<ul style="list-style-type: none"> <li>Production, portfolio and overhead</li> <li>Sales Force Effectiveness, Portfolio Review, Pricing</li> </ul>	<ul style="list-style-type: none"> <li>Synergies of Silanes/Silica business lines merger</li> <li>Optimized asset and site landscape</li> </ul>	<ul style="list-style-type: none"> <li>Focus on additives and specialty acrylics</li> <li>Polyolefins to be transferred to C4 chain</li> <li>Divestment of polyester business</li> </ul>	<ul style="list-style-type: none"> <li>Focus on lipids</li> <li>Closure of pharma keto acids site in GER</li> <li>Evaluation for keto / amino acids sites in France / China</li> </ul>	<ul style="list-style-type: none"> <li>Focus on isophorone chain</li> <li>Optimization of production and raw material purchasing</li> </ul>

1. % out of €500 m net savings to be achieved in the period 2024-2027

# Optimization programs – phasing overview with cumulative figures

